

May 30, 2012

The Honorable Dave Camp  
Chair  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Sander M. Levin  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Pat Tiberi  
Chair  
Subcommittee on Select Revenue Measures  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Richard E. Neal  
Ranking Member  
Subcommittee on Select Revenue Measures  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairmen Camp and Tiberi and Representatives Levin and Neal,

We, the undersigned companies and organizations, strongly urge you to renew the Non-Business Energy Property Credit (section 25C in the tax code) to help homeowners improve the energy efficiency of their homes. This credit helps consumers defray the upfront costs of residential efficiency retrofits, helping to create domestic jobs while saving homeowners money on their energy bills.

This tax credit was included in the Energy Policy Act of 2005 and enacted into law by President Bush. When it expired at the end of 2011, it was worth 10% of certain energy efficiency improvement costs (up to \$200 for windows), and fixed amounts for specified heating and cooling equipment, up to a limit of \$500. But it had a much larger impact for 2009 and 2010, when it was set at 30% of costs up to \$1500. There are specified efficiency performance criteria to qualify for all products.

We urge you to extend this important credit. By tightening the efficiency criteria while increasing the amount of the credit, it would significantly increase the energy savings and market impact at the same time as limiting the cost to the Treasury. This credit is most effective when it facilitates initial deployment and market growth of cutting-edge technologies and practices for a limited time, but avoids paying for routine replacements. We would be available to discuss appropriate criteria and amounts with you.

The improvements eligible for this tax credit included upgrades to building components like insulation, windows, and roofs as well as equipment like air conditioners, furnaces and water heaters. While it was available, the 25C credit was an extremely popular tax incentive, driving demand for energy efficient products and building materials while supporting the employment of local contractors and builders during the economic downturn. It was the only tax credit related to building efficiency that went directly to consumers.

Energy efficiency is an issue with bipartisan support. It is about doing more with the energy we possess and making the most of our resources; it is also the cheapest way to address our energy

needs. But while many efficiency improvements pay for themselves over their lifetimes, the advance costs of these projects remain a barrier. Tax incentives help defray these up-front costs.

The 25C credit in particular has been an integral component of the federal government's assistance to Americans to reduce energy consumption, cut costs, create jobs, and improve air quality. More importantly, the incentive is readily accessible to nearly any homeowner. Renewal of this important tax credit should be a central part of energy tax policy.

Sincerely,

Alliance to Save Energy  
Council of North American Insulation Manufacturers Association  
Ingersoll Rand  
Johns Manville  
Knauf Insulation  
Lowe's Companies  
Masco Corporation  
National Lumber and Building Material Dealers Association  
Owens Corning  
Rinnai  
The Dow Chemical Company  
Vinyl Siding Institute, Inc.  
Window and Door Manufacturers Association